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ABSTRACT

In the middle of the 20th century, job training was largely unnecessary, since workers were desperately needed to labor in manufacturing and construction jobs. Skills were learned on the job, and even a high school diploma was not needed for most occupations. Workers received wages that allowed them to raise a family comfortably and then to retire after 40 years with an acceptable standard of living. Today, however, most jobs that can be obtained by high school dropouts, and many that require high school diplomas, do not pay enough to support a family. Even some jobs that require associate degrees do not pay a living wage for a family (defined as 150 percent of the poverty threshold). This trend coincides with the trend of federal anti-poverty, job training programs to train fewer people than in the 1960s and 1970s, and for the amounts of training time to be too short to provide the occupational skills needed to obtain a job providing a decent income. If adults are to be trained sufficiently, and if appropriate "second-chance" opportunities are to be provided to workers, funding for job training programs must be increased dramatically, and the programs must include longer occupational education components and worker stipends to provide for living expenses during training. (Includes 6 tables.) (KC)

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Requiem for Employment and Training Programs

Remarks of Garth Mangum

February 8, 2001
National Dissemination Center for Career and Technical Education
Columbus, Ohio

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Requiem for Employment and Training Programs

Remarks of Garth Mangum at National Dissemination Center for Career and Technical Education
Ohio State University, 8 February 2001

Having first become involved in 1963 as a Congressional staffer with the first amendments to the Manpower Development and Training Act and playing what I consider to have been significant roles in the design of the Comprehensive Employment and Training Act during the 1970s and the Job Training Partnership Act during the 1980s, I have been a consistent advocate and defender over all of the subsequent years of what we then called manpower programs, renamed as employment and training programs and are beginning to refer to as workforce development programs. I have somewhat derisively referred to the Workforce Investment Act of 1998 as the "Training As Last Resort Act." I still use that terminology, but not with derision. I have come to the view that the time for employment and training programs as I have known and advocated them for nearly 40 years is past. Allow me to review briefly the employment and training program experience, focus for a moment on WIA, and then tell you where I think we must go from here.

But first allow an old man to reminisce a bit, I hope in good cause. In 1943, I walked across the stage of a little high school in central Utah and picked up a diploma. I may have felt some pride because only about one out of four of the relevant age did so that year. But no one cared. Outside the auditorium doors, figuratively and maybe even literally, were the draft board, military recruiters, and construction contractors confronted with the task of building a steel plant, designed to hide behind a mountain range in case the Japanese bombed or invaded the West Coast, but close enough to supply west coast shipbuilding. Those waiting outside that graduation exercise were all impatient, wondering why we were wasting time getting educated when our raw muscles were so badly needed.

Being a little younger than the rest of my graduating class, I signed with one of those military recruiters at 17 with the proviso that I would be called up at 18. Meantime, I went to work on the construction of that plant and then transferred briefly to production when it opened. No one even asked if I had graduated from high school. That brief employment with U.S. Steel gave me recall rights. I went back to the steel plant upon discharge from the army but did not stay. My point is that those of my relatives and friends who did continue at the plant–more of them without high school diplomas than with--earned decent wages throughout their working lives and retired forty years later with substantial pensions. Try that today!

There was a query in those days: "How do you get to Washington?" The answer: "Go to Harvard and turn left." I did, serving in Washington assignments sporadically part of each year in 1960, 1961 and 1962 and settled in full-time for 1963-68. Because of one of the several things I had done between leaving the steel mill in 1946 and becoming a college freshman at age 27, I bragged about being the only living evidence that coal miners could be retrained, one of the strong issues at the time, even if you had to send them to Harvard to do it. It was in that context that the Manpower Development and Training Act of 1962, the Vocational Education Act of 1963, and the Economic Opportunity Act of 1964–all of which I was involved in--were born. Some retraining, or first time training for those just entering the job market, accompanied by remedial basic education, was becoming essential; but six to eight months of it would do nicely, thank you.

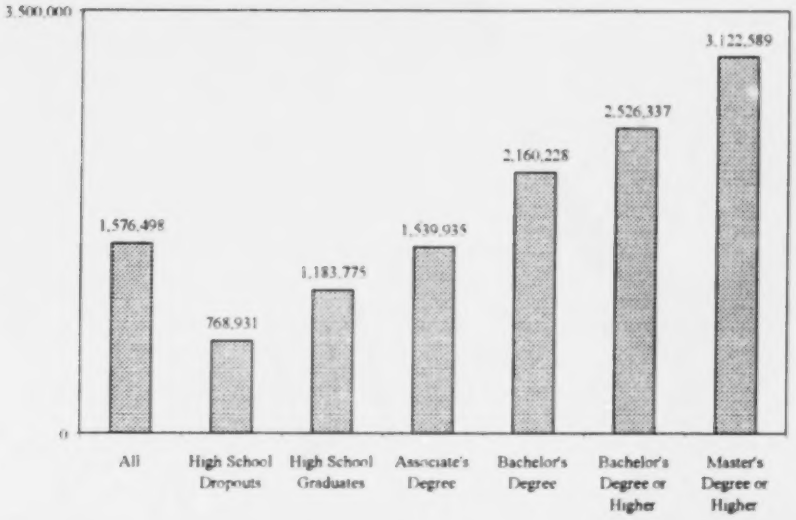
Now, let's shift ahead to the 1990s and the realities of WIA. Chart 1 tells us what you all know too well already. I have used data on men only because it happens to be in front of me as I am writing this. The story is the same for women. Over the past quarter century, those with less than a college education, on the average, have lost income in real terms, college graduates have held their own, but only those with professional preparation beyond four years of college, again on the average,

have experienced real income gains. And if substantial education is essential for labor market preparation, what about a second chance for those who failed to get adequate preparation the first time through, or become displaced from what they did prepare for?

Chart 1 :

Mean Lifetime Earnings of Males Through Age 64 by Educational Attainment

(1997-98 Averages)



How relevant have our employment and training programs been during that quarter century? Note first how few have been enrolled. Table 1 from 1997 is typical. Only a little over 265,000 persons nationwide terminated the Job Training Partnership Act's Title IIA disadvantaged adult worker program that year. That does not mean they completed training. That just means that they had been enrolled and then left. Also note that is less than 1% of the more than 26 million who were eligible by the criteria Congress had set.

Table 1

Estimated Number of 22-69 Year Olds Eligible for JTPA Title IIA in PY97

Compared to the Number of 22-69 Year Old JTPA Title IIA Terminees by Gender and Age

Demographic Group	Number of Eligibles	Number of Terminees	Terminees as % of Eligibles
All	26,637,000	265,281	0.99%
Gender			
Men	10,995,000	85,191	0.77%
Women	15,642,000	180,191	1.15%
Age			
22-29	6,412,000	108,090	1.69%
30-34	10,599,000	125,643	1.18%
45-69	9,626,000	31,241	0.32%

Source: All data in Tables 1-4 from Mangum, et.al., A Second Chance for the Fourth Chance: A Critique of the Workforce Investment Act of 1998, Sar Levitan Center, Johns Hopkins U., 1999.

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Then look at Table 2 for the nature of the training. Note first that less than 200,000 terminees nationwide that year. (I have no explanation for the differences in that regard between Tables 1 and 2, but the point is that terminees were few and trainees were fewer.) More than one-fourth of these terminees had received no occupational training of any kind. Less than one-half were engaged solely in classroom occupational training and one out of twelve solely in on-the-job training. Some unknown percentage of the one-fifth who had combinations of training would have also received some occupational training, either in the classroom or on the job. Notice who ended up with the most jobs and the best pay. Of course, we have to recognize the possibility that those who received occupational training only may have been better prepared for work as well as training than the others.

Table 2

Employment Rates and Wages of JTPA IIA Enrollees Employed at Termination and Follow-Up by Services Received, PY1997

		Outcomes at Termination			Outcomes at Follow-up	
Type of Training	Number Of Terminees	Percent Of Total	Employed At Termination	Mean Hourly Wage	Employed At Follow-up	Mean Weekly Wage
Total	199,730	100%	65.1%	$7.52	65.5%	$291
Basic Skills Only	18,613	9.3%	48.8%	$6.43	53.2%	$248
Occupational Skills Only	93,110	46.6%	67.5%	$8.08	67.9%	$313
OJT Only	16,199	8.1%	81.1%	$6.75	74.6%	$270
Work Experience Only	4,858	2.4%	45.4%	$5.89	52.2%	$198
Other training Only	8,975	4.5%	60.2%	$7.12	56.9%	$253
Training Combinations	39,653	19.9%	68.6%	$7.27	65.7%	$278
Received No Training	18,322	9.2%	54.8%	$7.35	62.3%	$250

Table 3 provides insights into the previous preparation of these trainees. Note that the higher their educational attainment and math skills, the more likely they were to be engaged in occupational training which, in turn, would reward them with the highest post-training wages.

Table 3

Education Status and Math Skills of JTPA Title IIA Terminees by Training Status

	Assess Ment Only	Basic Skills Only	Occup. Skills Only	OJT Only	Work Exp. Only	Other Only	Trng. Combi nation	No Trng.
Total	25%	7%	35%	6%	2%	3%	15%	7%
-12 yrs.,Math -7th	29%	20%	16%	5%	2%	4%	17%	7%
-12 yrs.,Math 7-8.9	24%	17%	22%	4%	4%	4%	19%	6%
-12 yrs.,Math 9+	20%	13%	29%	7%	2%	4%	19%	7%
12 yrs., Math -7th	28%	7%	29%	7%	1%	4%	17%	7%
12 yrs., Math 7-8.9	25%	5%	36%	6%	2%	3%	17%	6%
12 yrs., Math 9+	21%	3%	47%	6%	1%	2%	13%	7%
13+yrs.,Math -7th	29%	6%	29%	7%	1%	5%	17%	7%
13+yrs.,Math 7-8.9	25%	5%	37%	6%	2%	4%	15%	7%
13+yrs.,Math 9+	21%	2%	45%	6%	1%	4%	12%	8%

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The final insight is provided by Table 4. Note the consistent correlation between length of training and the wage at placement and at 13 week follow-up. Remembering that about 1200 hours would constitute a customary academic year, only those enrolled that long, on average, ended up with what might be considered an approach to a family-sustaining wage–but that was less than one out of each 15 enrollees. No wonder evaluators have found such poor results from employment and training programs. Few were enrolled to begin with, but hardly any were ever substantially trained. Why not? Well, for one thing, there were training stipends under MDTA and CETA but none under JTPA. Except for AFDC and now TANF recipients who could subsist on public assistance while they received adequate training, few could afford to be trained for long. Clearly, a meaningful second chance for workforce development requires longer training durations and some source of family subsistence to make that realistic.

Table 4

Title IIA Placement and Follow-up Wages by Training Duration, PY97

Training Hours	Total Service Hours			Occupational Skill Training Hours		
	Percent Of Total	Median Termination Wage	Median Follow-up Wage	Percent Of Total	Median Termination Wage	Median Follow-up Wage
Total	100.0	$7.00	$263	100.0	$7.00	$263
Zero hrs.	17.3	7.00	278	43.0	6.50	250
1-479	54.2	6.90	250	36.3	7.00	260
480-639	8.7	7.00	267	5.7	7.50	280
640-799	5.0	7.00	272	3.5	7.50	280
800-959	3.4	7.00	275	2.4	7.50	280
960-1199	3.7	7.24	280	2.7	7.72	290
1200-1439	2.4	7.50	300	2.0	8.00	310
1440-1599	1.3	8.00	300	1.2	8.00	311
1600-1919	1.5	8.00	320	0.4	8.15	327
1920-2079	0.5	8.00	320	0.4	8.13	320
2080 and above	2.1	8.00	319	1.6	8.38	320

That performance was appropriately reflected in the program's annual budgets. Spending for CETA training peaked at $9 billion at the end of the Ford administration and continued at that level to the end of the Carter administration when it plunged to about $4 billion as JTPA through the Reagan and first Bush years, climbing slowly back to $5 billion at the end of JTPA's life. (This leaves out the substantial public service employment expenditures of the Ford and Carter years. On the other hand, it does not count the substantial decline in real terms.)

Does that mean that investing in employment and training programs was a mistake? Even the negative Abt Associates evaluations often quoted to deny JTPA's accomplishments shows the post-training annual earnings of enrollees exceeding those of controls by $536 for men and $540 for women. Because of the high dropout rates and short training durations, the average training costs were $670 for men and $860 for women. Thus, the program had a 54% and a 96% return on investment, respectively, compared to the 10% to 15% return which would justify any employer-provided training.

My appeal for requiem of employment and training programs as we have known them is reflected in the shift to such terms as workforce development and workforce investment. Even the best of the Table 4 outcomes would hardly or barely provide a family-sustaining income. We have all been deluded by our

obsolete poverty criteria. The poverty threshold established to buttress the 1964 declaration of "war on poverty" constituted approximately 50% of the U.S. median family income at the time. To achieve that level today, the official poverty threshold would have to be increased to 165% of its current levels. Just to buy the same array of food, shelter and clothing that a poverty income would have included 37 years ago, foregoing all standard of living gains since that time, would require 140 percent of today's official poverty level. Note in Table 5 what 150% of poverty–approximately half way between those two upgrades-- would mean in terms of full-time, full-year hourly wages. (In honor of the many two-earner families, I have added the wages needed by a full-time earner supplemented by a half-time earner at the minimum wage.) Remember that the 150% of the poverty threshold in Table 5 is still substantially below the median household income which ought to be the minimum of everyone's destiny. Of course, employers don't pay by family size. They pay by skill, experience and productivity. So pick out some wage by average family size like $10 an hour–which would only be $20,000 a year. Then compare that to the wages in Table 6 appended of those occupations which can be obtained with no more than two-years of postsecondary education or training, or substantial work experience and on-the-job training. But note also how many of the OJT occupations are declining in total employment, how many involve formal apprenticeship, and how often the incumbents have postsecondary education, even though that is not formally required..

Table 5

Representative Poverty Thresholds and Hourly Wage Requirements by Family Size, 1999

Family Size	100% of Poverty	Wage Required	150% of Poverty	Wage Required	1.5 Earners
1	$8,667	$4.33	$13,001	$6.50	$3.93
2	11,156	5.58	16,734	8.37	5.79
3	13,032	6.53	19,548	9.77	7.20
4	17,184	8.58	25,776	12.89	10.31
5	20,723	10.36	31,085	15.54	12.97
6	23,835	11.98	35,753	17.88	15.30
7	27,425	13.71	41,138	20.57	17.99
8	30,673	15.33	46,010	23.01	20.43
9+	36,897	18.45	55,346	27.67	25.10

Now, finally, to the Workforce Investment Act. Focus first on Title I but leave aside its youth component which is admirable and its displaced worker program which essentially continues JTPA. After its first two years, MDTA shifted to primarily an anti-poverty focus and that was the primary target of CETA. The displaced worker component of JTPA grew until it had roughly one-third the funding of the disadvantaged worker title. Under WIA, Congress has not only cut the funding of the non-dislocated adult worker component to just a little over one-half the size of the dislocated worker funding. The disadvantaged limitation has been removed to encompass all adults. Where the JTPA disadvantaged adult worker title had sufficient funding to enroll only 1% of those eligible as shown in Table 1, the proportion of the eligibles WIA's adult component could serve is infinitesimal. For that group, WIA first offers to use its $950 million for access to core services which include what one would normally expect to find at any respectable public employment service. Those unable, after receiving core services, to "obtain or retain employment that allows for self-sufficiency" are then eligible for intensive services which are essentially vocational counseling. Given what has happened to public employment service funding over the last 20 years and the arrival of one-stop career centers on the scene, all of the WIA adult money could well be absorbed providing just those core and intensive services.

As the law is written, only those who cannot obtain any job of any kind after receiving intensive services are eligible to receive training. The Department of Labor has chosen, I presume with at least informal

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congressional approval, to imply the insertion of the adjective "suitable" before the word "employment" in determining who is eligible for training. In my home state, our Department of Workforce Services is interpreting that to mean a job paying at least 125% of the BLS Lower Living Standard which is approximately equal to the poverty line. But $950 million is not going to buy much for many of the duration and level of training required to provide access to jobs which provide family-sustaining earnings, even if it has not already been spent on core and intensive services. WIA also says that no one can be trained with its funds who is eligible for Pell Grants and other training funds, a requirement that I understand to be in conflict with the provisions of corresponding education legislation. That language too appears to have been softened by interpretation.

Each state should, of course, make the best use it can of the resources available. Some will use up the WIA adult funding on core and intensive services. Some, at least while TANF money can carry most of the burden of training former public assistance recipients, may have some WIA money available for occupational training for adults. But there is another issue we have mentioned but not addressed. Classroom training of a duration sufficient to prepare for family-sustaining earnings raises the question, "How is the family to survive on the way?" Both MDTA and CETA provided training stipends. JTPA did not. Hence, no one from a family without either public assistance or multiple earners could afford long-term training, especially that which combined both occupational skill training and remedial basic education, as many require. Both will be essential from here on.

WIA Title V Section 501 offers the choice of a unified state plan. Pell Grants are an entitlement. Pell Grant funds not required for tuition and school supplies also belong to the recipient. The current $3750 per year maximum will not pay tuition, buy testbooks and cover much rent and food. But what if WIA or vocational rehabilitation funds, for instance, are used to pay for tuition and books, while the Pell Grant at least contributes to survival?

My point is that the new economy–if that is what we have--requires a new approach to occupational preparation. Young people still involved in their first chance at career preparation must be wise enough to continue on until they have prepared for that family-sustaining earnings level. They need all the help they can get to accomplish that. Not only high school graduation but the absorption of the intended learning is absolutely essential, but only as a prerequisite for more. Postsecondary education is not the only possibility–just almost. There is still apprenticeship, and there are a few employers who offer sufficient incumbent worker training to a carefully selected few to make that a possible alternative route to family-sustaining earnings. But such a route–formal or informal--must be carefully chosen.

But those are routes for young people and for the first time through. We are talking here about the needed second chance. That too must be the result of careful consideration and considerable guidance. A feasible occupational target must be chosen by each applicant; one which combines an attractive working environment and an adequate long-term income stream. To be acceptable and workable in this day, it must also involve reasonable benefits–at least health care and retirement. That plan and progress toward a workable second chance for the adult or near-adult can only be accomplished through cooperation between workforce services agencies, education and training institutions and family and friendship support groups. Subsistence support is essential. Federal WIA funds, Carl Perkins and ESEA support, Pell and other grants, student loans and other federal contributions must be accessed and combined. Child care will have to be available for many as they train. But the states cannot continue to abandon the occupational second chance to the "feds." There must be state support.

The learner should also assume that it will be necessary to earn while learning, unless family responsibilities stand in the way. Those part-time earning opportunities should be sought and provided, preferably in situations that will offer work experience related to the new career. "Work First" has been advocated for those leaving public assistance. That is admirable as long as it is something that they lack, as long as the work experience contributes to the career preparation and as long as it is not the end of the

preparation. Full-time work accompanied by part-time training and interspersing on-the-job and classsroom training are all options–as long as they contribute to a second chance at career tracking. Apprenticeship and on-the-job training is especially relevant to the second-chance population. The average apprentice, after all, is in their late twenties. Under the employment and training programs of the past, OJT has been just the purchase price of a job. There was rarely any identifiable training.

The potential role of the "faith community" in public services has been lately in the news. Churches are unlikely sources of occupational skill training but they are ideal sources of mentoring, as is the family. Everyone needs a support system.

Shifting attention for a moment, I have always thought the 1996 welfare legislation and its state counterparts was a good start but only half the job. It accomplishes nothing to turn the welfare poor into the working poor. As long as those who cannot, because of health, age, or family responsibilities, earn a decent living have continued access to public assistance, there is nothing wrong with the rest of us pursuing self-reliance. But only if we have a reasonable opportunity to gain the skills and have access to the jobs that provide that reasonable living standard.

All of this raises organizational issues. Historically, the second chance programs have been primarily the responsibility of the Department of Labor at the federal level and the public employment service or related labor market-related entities at the state and local level. They have not done the training but they have administered the essential decision-making and then purchased the training from public and private training institutions. Under CETA and JTPA, state departments of education and their local counterparts served on decision-making boards but they were there to advise the employment-related organizations, not to be primary decision-makers. With a shift to longer duration training, that relationship will have to change to true partnership. Departments of workforce services or their counterparts will continue to measure and project occupational demands. The training providers will have to be full partners in the occupational choices, and the primary actors in providing the essential remedial education as well as the classroom training. (And note that 40 years of second chance experience has proven that remedial education for adults works only when it is integrally entwined with occupational training.) But, with an intensified mixture of classroom and on-the-job training and work experience, employer and employee representatives must also have an operational rather than simply advisory role. Exactly what that organizational structure will look like will vary state by state.

Most of you here went through all these necessary steps as you prepared and re-prepared for your own careers and overcame the inevitable obstacles to arrive at a reasonable lifestyle for yourselves. Most people who have had that good fortune have moved on without looking back. All of you commendably care enough about your fellow man to want to open the same path for others. You are here today to decide how to do it. I admire you and commend you for both your compassion and your wisdom. Now let us all work to find and chart a workable path through a new career wilderness.

Table 6

Occupations by Growth, Education and Training Requirements and Median Earnings, 1998-2008

Occupation	1998 Emp (000)	2008 Emp (000)	%Growth	1998 Median Earnings
Associates Degree				
Registered nurse	2,079	2,530	21.7	$40,690
Computer support specialist	429	869	102.3	37,120
Other health professionals	510	688	35.0	26,940
Engineering technicians	437	506	15.9	37,310
Paralegal and legal aides	136	220	62.0	32,760
Science/math technicians	227	243	7.0	31,030
Dental hygienists	143	201	40.5	45,890
Physical therapy assistants	82	118	43.7	21,870
Medical records technicians	92	133	43.9	20,590
Radiology technicians	162	194	20.1	32,880
Law clerks	86	96	11.6	29,520
Respiratory therapists	86	123	42.6	34,830
Funeral directors/morticians	28	32	16.1	35,040
Cardiovascular technicians	21	29	39.4	35,770
Occupational therapy assts.	19	26	39.8	28,690
Veterinary technicians	32	37	16.2	19,870
Nuclear medicine technicians	14	16	11.6	39,610
Radiology therapists	12	14	16.7	39,640
Postsecondary Vocational Training				
Auto Mechanics	790	922	16.7	27,360
Legal secretaries	285	322	13.2	30,050
Licensed practical nurses	692	828	19.7	26,940
Medical secretaries	219	301	6.4	32,370
Emergency medical technicians	150	197	31.6	20,290
Data processing equip. repairers	79	117	47.0	29,340
Photographers	149	161	7.7	20,940
Travel agents	138	160	18.4	23,010
Court reporters	110	121	9.7	25,430
Psychiatric technicians	66	73	10.9	20,890
Aircraft mechanics	133	147	10.4	38,060
Electronic repairers	72	81	12.7	35,550
Surgical technicians	49	62	26.0	25,780
Telecommunications equip mech.	49	56	13.3	42,850
PBX installers and repairers	44	59	32.3	43,680
Electronic home equip repairers	39	28	-2.4	31,300
Sound technicians	37	39	6.0	25,260
Long-term On-the-Job Training (25 out of 82)				
Air traffic controllers	30	30	0.0	64,880
Elevator installers and repairers	30	33	1.1	47,860
Power distributors/dispatchers	14	12	-12.2	45,690
Power generating plant operators	31	32	3.1	44,840
Gas/petroleum plant occupations	38	33	-12.6	43,820

Electric powerline installers	99	100	1.1	42,600
Insurance appraisers	10	12	16.0	40,800
Precision instrument repairers	33	32	-4.0	39,580
Chemical plant operators	43	48	11.0	39,830
Boilermakers	18	19	6.6	38,270
Insurance examiners	180	217	20.4	38,380
Stationary engineers	31	29	-5.7	38,290
Flight attendants	99	129	30.1	37,800
Police patrol officers	446	586	31.6	37,710
Tool and die makers	138	136	-1.5	37,250
Millwrights	82	81	-1.9	36,940
Electricians	656	724	10.3	35,310
Bricklayers/masons	157	176	12.3	35,200
Plumbers/pipefitters	426	449	5.3	34,760
Medical equipment repairers	11	12	13.5	34,190
Tile setters	29	31	8.7	33,810
Structural metal workers	81	87	8.0	32,980
Telephone/cable TV installers	180	235	30.3	32,750
Mining/quarrying/tunneling	23	15	-33.0	32,300